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MONTANA
LABOR MARKET REVIEW

Published in April 1978
For Fourth Quarter 1977

STATE OF MONTANA

THOMAS L. JUDGE, GOVERNOR

DEPARTMENT OF LABOR AND INDUSTRY
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PRODUCED BY THE RESEARCH AND ANALYSIS SECTION
in cooperation with
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U.S. DEPARTMENT OF LABOR

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GLOSSARY OF TERMS

1. Civilian Labor Force - the number of persons 16 years and older, defined as employed or unemployed, excluding members of the Armed Forces.

2. Employed - those persons who work for pay or profit during a week or, as unpaid family workers, work 15 hours or more during a week. Also included as employed are those who, although not working, had some job attachment and were not looking for work, including persons temporarily absent from a job due to illness, bad weather, vacation, or labor-management dispute, whether or not they were in a pay status during their time off.

3. Unemployment - the number of persons who, for an entire week, did not work at all, were able to work and available for work, and (1) were looking for work or (2) would have looked for work except that (a) they were waiting to return to a job from which they had been laid off, or (b) they were waiting to report to a new wage and salary job scheduled to start within the following 30 days (and were not in school during the week).

4. Unemployment Rate - the number of unemployed expressed as a percent of the civilian labor force.

5. Residence Data - a count of employment by where people live.

6. Establishment Data - a count of employment by where people work.

7. Seasonally Adjusted Labor Force Series - to facilitate the evaluation of the labor force, recurrent yearly movements have been isolated and removed by the Bureau of Labor Statistics seasonal factor method.

8. Composite Index - an aggregate of six leading indicators. The indicators used are: Manufacturing - Employment, Average Weekly Hours, total Accessions and Layoffs; Average Weekly Initial Claims; and statewide Building Permits. A reverse trend was used for Layoffs and Average Weekly Initial Claims. This composite index is in no manner or form comparable to the United States composite index as published in "Business Conditions Digest", U. S. Department of Commerce.

9. Real Spendable Average Weekly Earnings of Private Nonagricultural Production Workers - represents the earnings of a hypothetical individual after deductions for State Income, Federal Income and Social Security taxes, and adjustment for change in purchasing power since 1967. This individual is assumed to be sole support for a family of four, earn the average weekly gross earnings of production workers in Montana's private nonagricultural industries, and take standard deductions on State and Federal income taxes. Taxes were computed using standard tax tables, and purchasing power was adjusted by deflating Spendable Earnings based on the national Consumer Price Index.

10. WIN - Work Incentive Program for Aid to Dependent Children recipients.

11. CETA - Comprehensive Employment and Training Act of 1974.

12. CETA-CEP - Concentrated Employment Program funded under the Comprehensive Employment and Training Act.

13. SMSA - Standard Metropolitan Statistical Area as determined by Office of Management and Budget. Must have a central city with population of 50,000 or more.

14. LMA - Labor Market Area as determined by the Montana Employment Security Division consists of a central city or cities with population of less than 50,000, and the economically integrated geographical area surrounding it.

SECTION 1

INTRODUCTION AND HIGHLIGHTS

INTRODUCTION

The State of Montana is the fourth largest in the nation, having an area of 147,138 square miles. It is bordered on the north by Canada; on the west by Idaho; on the south by Wyoming; and on the east by North Dakota and South Dakota.

The state is predominantly rural, with an estimated population of 760,000 persons in 1977. The most significant export industry in the state continues to be agriculture; with cattle, sheep, and wheat production being the mainstays of that economic sector. In addition to ranching and farming; mining, lumber and wood products manufacturing, tourism, and government provide the bulk of economic support within Montana.

HIGHLIGHTS

Early in 1977, when most of the nation was dealing with harsh winter weather, Montana was in the middle of an economic resurgence. At the heart of this was the construction industry. Local demand for housing spurred building activity while national demand breathed new life into the lumber and wood products industry. The heightened activity in the lumber industry subsided during the third quarter, yet local construction maintained a strong pace well into the later months of the year. Throughout 1977 most sectors of Montana's economy displayed a positiveness that was not present at the national level. Montana's unemployment rate averaged 6.1%, while the national rate hovered above 7.0% for most of the year.

Since December 1976 total employment in Montana has increased over 17,000 individuals - an annual growth rate near 5.5%. At the same time employment at the national level increased only 4.7%. During the past twelve months (December 1976 to December 1977) significant increases have been noted in jobs in local government (up 15.4%), contract construction (up 21.3%), lodging places (up 21.1%), and food and kindred products (up 10.8%). On the other hand, agricultural employment remained virtually unchanged with 24,400 individuals employed in both December of 1976 and 1977.

SECTION II
LABOR MARKET INFORMATION
STATE OF MONTANA

STATEWIDE MONTANA

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
(in Thousands)

Year	Civilian Labor Force Average	Employment Average	Unemployment Average	Average Unemployment Rate
1972	296.9	278.8	18.1	*6.1*
1973	309.2	290.1	19.1	*6.2*
1974	325.3	303.5	21.8	*6.7*
1975	330.5	303.6	26.9	*8.1*
1976	339.8	313.7	26.1	*7.7*
1977	351.6	330.0	21.6	*6.1*

1977	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
January	324.5	296.9	27.6	*8.5*
February	328.1	301.3	26.8	*8.2*
March	336.3	310.8	25.5	*7.6*
April	344.7	322.8	21.9	*6.3*
May	349.0	329.7	19.3	*5.5*
June	365.1	343.9	21.2	*5.8*
July	373.6	353.0	20.6	*5.5*
August	380.9	361.0	19.9	*5.2*
September	364.8	346.7	18.1	*5.0*
October	354.9	337.1	17.8	*5.0*
November	350.7	331.0	19.7	*5.6*
December	346.4	326.0	20.4	*5.9*

The average number of persons in the civilian labor force during 1977 was 351,600. This figure represents an increase of 11,800 over the 1976 average, a gain of 3.5% in the number of active and potentially active workers. At the same time, those people who held jobs during the year averaged 330,000, a 5.2% increase from the previous year's level. The number of unemployed during the past twelve months has averaged 21,600 persons, the smallest number since 1974 immediately before recession hit Montana. The figure further reflects a 17.2% decline in the average number of jobless compared with the 1976 level.

The annual averages for civilian labor force, employment, and unemployment during 1977 yield a calculated average rate of unemployment of 6.1%; a very healthy decline from last year's statewide rate of 7.7%. Furthermore, the rate is the lowest since 1972, when it was equal to the current average.

The reasons for these great improvements in the employment situation are undoubtedly diverse. The most obvious reason is the resurgence of the state from the recession of 1975. Hopefully, with closer examination of Montana's recent economy, more specific explanations can be found, and implications for the near future can be suggested.

EMPLOYMENT TRENDS IN THE MAJOR INDUSTRIAL SECTORS

MONTANA AGRICULTURE
EMPLOYMENT

(In Thousands)

Jan.	22.6	Jul.	46.5
Feb.	24.8	Aug.	49.8
Mar.	29.9	Sep.	38.8
Apr.	37.0	Oct.	33.0
May	38.2	Nov.	28.4
Jun.	43.5	Dec.	24.4
Fourth Quarter Average			28.6
1977 Average			34.7

Employment in the agricultural sector of industry experiences more seasonality than any other sector in Montana. Job levels usually begin to increase rapidly during the spring and summer, reaching their highest points in August as harvesting gets underway.

Agricultural employment during 1977 followed the established pattern, however, more people were at work in this field than during the previous year. The annual average employment for the past twelve months was 34,700, amounting to a 3.9% increase over the 1976 yearly average. In contrast, fourth quarter employment in these past two years has been virtually unchanged.

Employment prospects in this industry are questionable in the coming months. This year, farmers and ranchers experienced declining income due to cost increases and low market prices.

MONTANA MANUFACTURING
EMPLOYMENT

(In Thousands)

Jan.	23.9	Jul.	24.1
Feb.	24.0	Aug.	24.8
Mar.	23.6	Sep.	24.7
Apr.	24.0	Oct.	24.4
May	24.1	Nov.	24.3
Jun.	24.7	Dec.	23.7
Fourth Quarter Average			24.1
Average 1977			24.2

Employment in the manufacturing sector exhibited a generally stable pattern during 1977. Some month-to-month fluctuations occurred, but for the most part, they were of smaller magnitude than in many previous years. After the severe decline in employment experienced during the 1975 recession, the number of jobs in manufacturing has been showing a positive recovery trend. Although employment has not yet equalled pre-recession levels, it nonetheless remains on a predominantly upward course. While the trend in the fourth quarter is considered relatively flat it may be nothing more than a temporary pause in the recovery.

Employment in the manufacturing industries averaged approximately 24,200 persons over the past twelve months. This average included a low level of 23,600 in March, and a high of 24,800 in August. The only significant change in monthly employment took place during the summer season, when employment increased strongly in June, then showed an abrupt decline in July and an equally abrupt recovery in August. The reasons for the shifts noted in this case are relatively easy to explain. The employment increases recorded during June were distributed in a virtually even manner among the various forms of enterprise which make up the overall manufacturing sector; a normal phenomenon as the number of workers available to fill positions is increased by students and others seeking summer work.

The sharp decline recorded in July, on the other hand, was due almost solely to a labor dispute in primary metals manufacturing. Employment in

that industry dropped by approximately 1,100 workers who were involved in the dispute. With settlement of the difficulties in late July, employment in August was back up to its high point for the year.

Finally, some mention should be made of employment and unemployment development in the lumber and wood products manufacturing industry. Employment during 1977 showed somewhat less stability than in the previous year; however, with the year's average job level at approximately 9,300, a 2.2% increase over the 1976 level was realized.

These figures are slightly misleading when examining this industry for the year, however. During the summer and fall there was some week-to-week employment turmoil among both the sawmill workers and the loggers in the forest. Many of the individual firms had problems with drought conditions, early inventory buildup, and fluctuating timber prices. These, among other factors, led to temporary layoffs in a number of mills, predominantly in the northwest part of Montana, and this accounted for at least some of the uncertainty in employment.

MONTANA MINING
EMPLOYMENT

(In Thousands)

Jan.	6.0	Jul.	4.9
Feb.	5.9	Aug.	6.1
Mar.	5.8	Sep.	6.1
Apr.	6.1	Oct.	6.3
May	6.3	Nov.	6.3
Jun.	6.4	Dec.	6.6
Fourth Quarter Average			6.4
1977 Average			6.1

Montana's mining industry has been experiencing slight declines in employment in recent years, and 1977 offered only a slight exception. During the year, annual average employment remained stable; the average for 1977 being 6,100 workers. This number shows no change from the previous year's average level.

Within the mining industry as a whole, metal mining employment has shown the greatest declines on a year-to-year basis. The primary reasons for this trend are the low metal market prices which have been prevalent in the last few years.

During the past twelve months employment has maintained a reasonably stable posture, with the exception of July, when a labor dispute arose concerning contract renewals at the state's largest metal mining firm. For that month employment drastically declined, but rebounded to a nearly normal level as the dispute was settled by the end of the month. It should be noted that July's employment drop affected the year's average for the entire industry. Had the dispute not occurred, annual average employment in mining would likely have exceeded that of the previous year.

While employment in metal mining has been declining, the number of workers in oil and gas extraction has increased over 1976 levels. During 1977, average employment amounted to 2,600 workers, compared with 2,100 in 1976; an increase of 23.8%. This gain has helped offset the loss of jobs in metal

mining, thus keeping industry-wide employment levels fairly stable.

The two remaining industry sub-sectors, coal mining and non-metallic mining, have maintained very steady employment patterns for 1977. During the fourth quarter, coal mining did experience a slight increase over previous month's employment levels. With imminent increases in nation-wide coal needs, employment in this section of mining might have improved prospects. The point should be made, however, that the coal industry has become less and less labor-intensive with the continuing improvements in technology.

MONTANA CONTRACT CONSTRUCTION
EMPLOYMENT

(In Thousands)

Jan.	10.8	Jul.	17.7
Feb.	11.5	Aug.	18.5
Mar.	12.5	Sep.	18.6
Apr.	14.7	Oct.	18.2
May	15.5	Nov.	17.9
Jun.	16.4	Dec.	15.3
Fourth Quarter Average			17.1
1977 Average			15.6

Employment and unemployment patterns in this industry followed their standard, highly seasonal trends during the past twelve months. The most significant aspects of the industry for the year, however, were the levels of employment reached each month.

1977 was a banner year for Montana's construction industry. With a very strong demand for housing, and the presence of exceptionally mild winter weather, the year got off to a fast start for construction employment. January's level was 10,800 persons; an increase of 1,000 from January 1976. From that point, employment continued its usual pattern of increase until a peak of 18,600 workers was reached in September. Declines were then posted throughout the fourth quarter, ending the year at a total of 15,300. Average employment for the year was 15,600 persons, compared with 13,800 in 1976. This amounts to a very favorable annual average increase of 13.0%.

At least two partial explanations can be offered for the tremendous boom in the 1977 construction industry. Of most immediate consequence was the availability of low interest housing loans to those individuals who met specific income requirements. These funds, totaling more than 50 million dollars, were to be made available during 1977-78, and the first loans were granted last spring. With such incentive, it is very likely that many people throughout Montana undertook house construction when they normally may have delayed building for an indeterminate period. This being the case, the construction industry enjoyed an additional boost during the year.

MONTANA CONTRACT CONSTRUCTION
(Cont.)

The second factor involved in the high activity levels of the past twelve months is more long-term in nature and effect than the availability of loan money was. The non-residential building sector has also been an important contributing force for construction in recent years. This growth has been due in large part to the consistent expansion of the retail-service industrial sector. Prospects for a continued upward trend in this area are very good, and the associated influence on the construction industry should help maintain steady numbers in the employment ranks.

MONTANA TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES EMPLOYMENT

(In Thousands)

Jan.	19.6	Jul.	20.7
Feb.	19.6	Aug.	20.7
Mar.	19.6	Sep.	20.6
Apr.	19.9	Oct.	20.4
May	20.0	Nov.	20.4
Jun.	20.3	Dec.	20.7
Fourth Quarter Average			20.5
1977 Average			20.2

Employment in this sector reached an all-time high annual average of 20,200 workers in 1977. Work is seasonal, but does not shift to as large a degree as that in manufacturing or construction, and employment varied from a low of 19,600 in each month of the first quarter, to a high of 20,700 in both July and August.

For purposes of analysis and comparison, this industrial sector is normally broken down into three sub-sectors, These include railroad transportation; transportation except railroad; and communication, electric, gas, and sanitary services. By examining employment trends in each of these sub-sectors, a more complete understanding of employment changes can be gained.

During recent years, railroad transportation has been the only one of the three sub-sectors which has not shown consistent growth in employment. Indeed, recent trends indicate a gradual decline in the number of workers in this area. The 1977 annual average for employment in railroads showed a slight increase over the previous year's average, but this may be attributed to the very mild winter, and subsequent employment levels which were higher than usual during the first quarter of the year. At 6,300, average employment for the fourth quarter 1977 equalled that of the same quarter in 1976.

Contrastingly, non-railroad transportation has had increasing levels of

MONTANA TRANSPORTATION COMMUNICATIONS, AND PUBLIC UTILITIES
(Cont)

employment in recent years. 1977 was no exception, with annual average employment increasing slightly, to 6,100 workers. Within this industry, the most promising growth pattern lately has been in the sub-sector comprised of communication, electric, gas, and sanitary services. The past six years have seen continuous employment rises; from a level of 6,400 in 1972 to the most recent annual average of 7,800 persons. Furthermore, during the fourth quarter of 1977, employment averaged 8,000 compared with a 1976 fourth quarter average of 7,400.

Overall, employment levels in this industrial sector have shown moderate growth and relative stability. This trend appears to be due, at least in part, to the offsetting growth and declines in the sub-sectors.

MONTANA TRADE
EMPLOYMENT

(In Thousands)

Jan.	61.8	Jul.	68.8
Feb.	61.6	Aug.	69.6
Mar.	62.9	Sep.	69.4
Apr.	64.2	Oct.	67.9
May	66.0	Nov.	68.0
Jun.	67.6	Dec.	67.9
Fourth Quarter Average			67.9
1977 Average			66.3

The trade sector of industry, composed of all wholesale and retail businesses within the state, is Montana's second largest sector in terms of employment. Growth for the past six years has been at an approximate annual average rate of 5.0%, and although distinct seasonality affects employment, the growth trend has been comparatively steady.

In 1977 the industry reached its highest annual average level of employment, with 66,300 workers. This followed a year's low of 61,600 during February and a high of 69,600 in August.

The wholesale trade sub-sector, in particular, experienced one of its best years, showing monthly increases with the single exception of October, when a slight decline in the number of workers was registered. In addition, a very notable increase in employment took place among eating and drinking establishments. From a low point of 15,300 in January, employment increased 5,600 (36.6%) to August's level of 20,900 persons. Though this figure declined somewhat in subsequent months, the magnitude of such monthly increases is very favorable.

MONTANA FINANCE, INSURANCE, AND REAL ESTATE
EMPLOYMENT

(In Thousands)

Jan.	10.9	Jul.	11.5
Feb.	10.9	Aug.	11.8
Mar.	10.9	Sep.	11.9
Apr.	11.0	Oct.	11.9
May	11.1	Nov.	12.0
Jun.	11.3	Dec.	12.0
Fourth Quarter Average			12.0
1977 Average			11.4

Historically, the finance, insurance, and real estate (FIRE) sector has maintained the most stable levels of employment both on a monthly and yearly basis. There is very little seasonality in this industry; however, long-term trends have shown small, but consistent job increases over the years.

1977 witnessed particularly strong growth in this industry's employment. Average employment for the year was 11,400, compared with the 1976 average of 10,800. This represents an increase of 5.6% - the best advance since immediately before the recession. Furthermore, comparing figures for the fourth quarter of 1977 with those of the same quarter in 1976 reveals an increase of approximately 9.1%.

The most likely explanation for these increases can be found in the construction sector of industry. Finance, insurance, and real estate are each directly related to construction, and the 1977 building boom could only have stimulated the demand for the services of the FIRE sector. This, in turn, was at least partially responsible for the employment increases.

MONTANA SERVICES
EMPLOYMENT

(In Thousands)

Jan.	46.1	Jul.	51.3
Feb.	46.6	Aug.	51.1
Mar.	47.1	Sep.	51.3
Apr.	47.6	Oct.	51.1
May.	48.1	Nov.	50.2
Jun.	50.2	Dec.	50.3
Fourth Quarter Average			50.5
1977 Average			49.3

Employment trends in the service sector have tended to parallel the patterns of the retail trade sector. In recent years, employment levels in these two areas have become increasingly similar in size as well as seasonal pattern, each one showing worker increases on a nearly monthly basis.

The lowest level of service employment during 1977 was January's total of 46,100. This number rose to a year's high of 51,300, both in July and September, and the average employment for the year totaled 49,300. The increase from the 1976 average of 47,800 amounted to 3.1%, while a comparison of employment averages in the fourth quarter of each year revealed a 5.2% gain from 1976 to 1977.

MONTANA GOVERNMENT
EMPLOYMENT

(In Thousands)

Jan.	67.4	Jul.	70.5
Feb.	68.2	Aug.	74.3
Mar.	68.6	Sep.	72.9
Apr.	68.5	Oct.	71.7
May	68.7	Nov.	72.1
Jun.	70.9	Dec.	73.2
Fourth Quarter Average			72.3
1977 Average			70.6

The government sector of industry in Montana constitutes the largest employment area of any sector, and as has been the case with most previously discussed industries, the trend in employment levels over the years has been an increasing one. Employment in 1977 averaged 70,600; representing a 7.5% increase over the previous year's average of 65,700.

Of the sub-sectors which make up the total government industry, employment in the state college and university system showed the most stability on a month to month basis. Jobs associated with local government other than education exhibited the greatest growth from 1976 to 1977: annual average employment in this sub-sector increasing by 17.2%. One likely explanation for this rise is the increase in federally funded job opportunities programs which are being administered by city government.

UNFILLED JOB OPENINGS[1/]

1/ SOURCE - EMPLOYMENT SERVICE AUTOMATED REPORTING SYSTEM

UNFILLED JOB OPENINGS

Job openings in the various occupational groups during the fourth quarter followed the patterns of previous months of 1977. Once again, the greatest number of unfilled openings was found in the service occupations. Of these, the demand for food and beverage preparation workers was the greatest, as reflected by available openings; while jobs such as hospital attendants ranked second in total number.

The major groups of clerical and sales occupations followed past trends as well, with respective averages of 199 and 134 unfilled openings during the fourth quarter. Among the occupations with the greatest demand for workers in these areas were computing and account recording, N.E.C.*, and commodity salespersons.

Among the miscellaneous group of occupations, packaging and materials handling, N.E.C.*, and timber cutting and related jobs were most numerous on the average, for the fourth quarter.

The group consisting of structural work occupations averaged 205 unfilled openings, with most of these being found in miscellaneous construction jobs and carpentry.

The number of positions which remain open for more than thirty days serves as a gauge of job openings which are the hardest to fill in the state. There are many positions in each major occupational group which may be classified in this manner; however, certain types of jobs stand out as being consistently the hardest to fill.

* Not Elsewhere Classified

Among the major occupational categories, services, and the professional, technical, and managerial group have the largest percentage of the total number of "hard-to-fill" jobs. Almost half of all the positions which were open for more than thirty days were found here (see Table I). Within these groups, the specific occupational openings which were the most difficult to fill were waiters and waitresses, chefs, and hospital attendants.

TABLE I

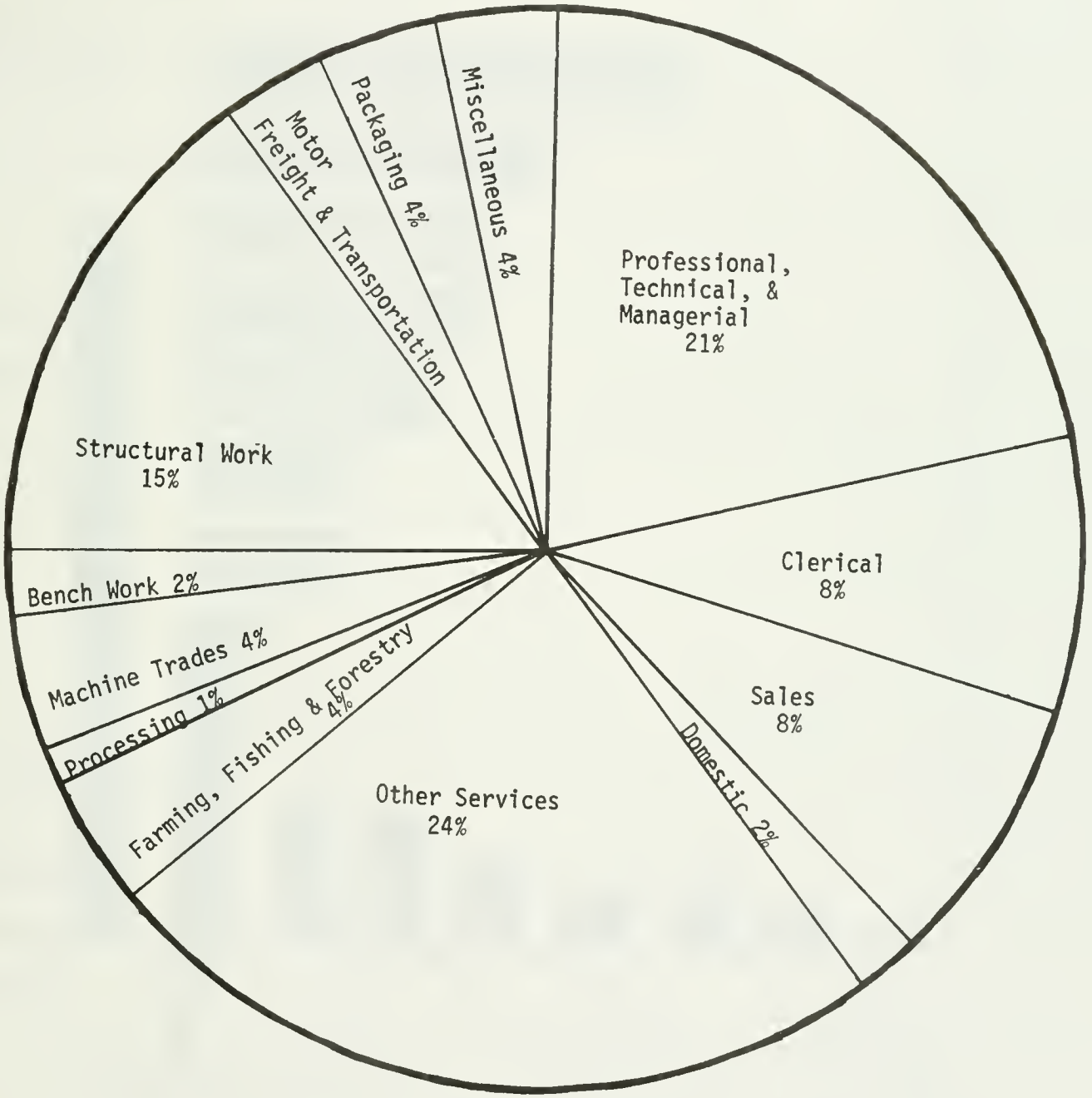
UNFILLED JOB OPENINGS BY
MAJOR OCCUPATIONAL GROUP

OCTOBER 1977

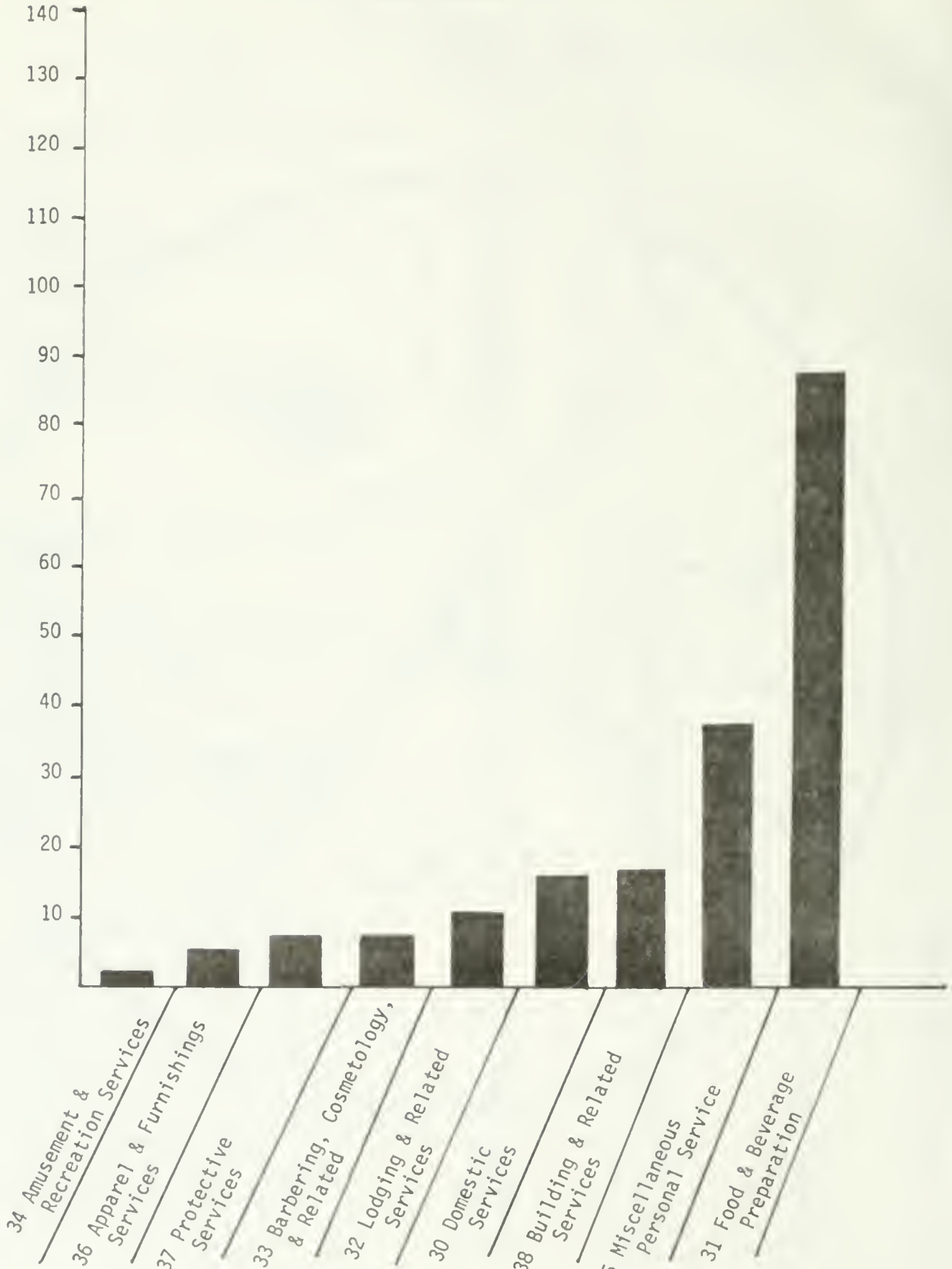
D.O.T. Code	Occupational Title	Nonagricultural Openings: Total Openings	Openings Filled	Unfilled Openings	30 Days +
00-19	Professional, Technical & Managerial	240	173	257	131
20-24	Clerical	601	497	196	57
25-29	Sales	323	192	203	66
30	Domestic	249	226	52	19
31-39	Other Services	898	767	459	218
40-49	Farming, Fishing, & Forestry	80	63	44	16
50-59	Processing	59	48	19	5
60-69	Machine Trades	123	94	76	39
70-79	Bench Work	47	37	30	12
80-89	Structural Work	813	738	255	118
90-91	Motor Freight & Transportation	382	308	92	25
92	Packaging & Material Handling	744	701	90	20
93-97	Miscellaneous	134	109	76	39
	TOTAL	4,693	3,953	1,849	765
	NOVEMBER 1977				
00-19	Professional, Technical & Managerial	453	316	257	150
20-24	Clerical	1,113	900	190	48
25-29	Sales	518	356	110	60
30	Domestic	469	438	35	16
31-39	Other Services	1,581	1,354	338	144
40-49	Farming, Fishing, Forestry	240	184	83	19
50-59	Processing	84	78	10	7
60-69	Machine Trades	235	183	63	25
70-79	Bench Work	95	88	24	13
80-89	Structural Work	1,330	1,250	188	102
90-91	Motor Freight & Transportation	643	523	88	28
92	Packaging & Material Handling	1,418	1,341	87	28
93-97	Miscellaneous	278	251	50	25
	TOTAL	8,457	7,262	1,523	665
	DECEMBER 1977				
00-19	Professional, Technical & Managerial	670	452	248	145
20-24	Clerical	1,620	1,301	211	65
25-29	Sales	736	551	89	40
30	Domestic	732	677	43	12
31-39	Other Services	2,163	1,813	328	136
40-49	Farming, Fishing, & Forestry	343	278	91	45
50-59	Processing	113	104	10	3
60-69	Machine Trades	304	247	52	30
70-79	Bench Work	146	130	24	11
80-89	Structural Work	1,774	1,669	173	97
90-91	Motor Freight & Transportation	949	824	56	19
92	Packaging & Material Handling	1,899	1,822	62	26
93-97	Miscellaneous	397	371	39	18
	TOTAL	11,846	10,239	1,426	647

UNFILLED JOB OPENINGS 30 DAYS OR
OLDER BY MAJOR OCCUPATIONAL GROUP

(Fourth Quarter 1977)



SERVICE OCCUPATIONAL GROUP:
Breakdown of Occupations with Job Openings Exceeding 30 Days
(Fourth Quarter)



PROFESSIONAL, TECHNICAL, & MANAGERIAL
BREAKDOWN OF OCCUPATIONS WITH
JOB OPENINGS EXCEEDING 30 DAYS.

(Fourth Quarter)

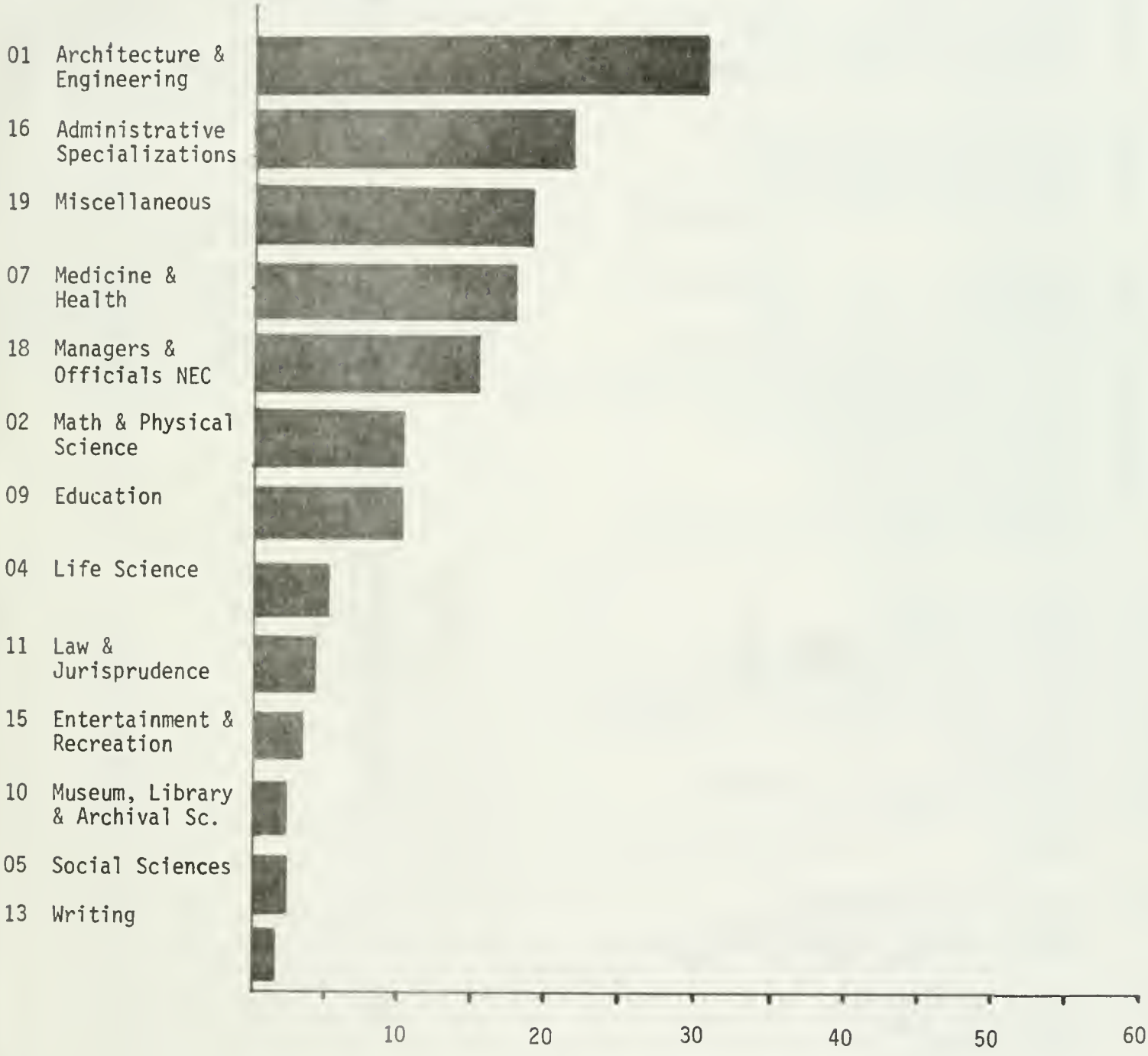


TABLE II
UNFILLED JOB OPENINGS FOR SELECTED OCCUPATIONS
IN MONTANA'S JOB SERVICE OFFICES
OCTOBER 1977

		NON-AGRICULTURAL OPENINGS	
OCCUPATIONAL TITLE		UNFILLED OPENINGS	30 DAYS +
005	Civil Engineering	10	7
018	Surveyor, N.E.C.	13	6
075	Registered Nurses	11	4
079	Medicine & Health Occupations, N.E.C.	13	5
099	Education Occupations	15	9
0	PROFESSIONAL, TECHNICAL, & MANAGERIAL		
160	Accountants & Auditors	13	3
169	Administrative Specializations	13	5
187	Service Industry Management	10	6
195	Social & Welfare Work	25	18
1	PROFESSIONAL, TECHNICAL, & MANAGERIAL		
201	Secretaries	20	2
209	Stenography, Typing, & Related, N.E.C.	24	13
210	Bookkeepers	22	5
219	Computing & Account Recording, N.E.C.	43	15
223	Stock Clerks & Related	22	9
239	Info. & Message Distribution Occupations, N.E.C	12	0
250	Real Estate & Insurance Persons	21	18
289	Commodities Salespersons	37	10
290	Sales Clerks	38	17
293	Canvassers & Soliciters	28	2
299	Merchandising Occupations, Exc. Sales	37	6
2	CLERICAL & SALES		
304	House & Yard Workers	12	1
306	Domestic Housework	12	7
307	Nursing Attendants	14	4
311	Waiters, Waitresses, & Related	149	73
313	Chefs & Cooks, Large Hotels & Restaurants	38	17
314	Chefs & Cooks, Small Hotels & Restaurants	10	2
318	Kitchen Workers, N.E.C.	39	17
323	Housekeepers	25	12
355	Attendants, Hospitals, & Related	55	38
381	Porters & Cleaners	11	5
382	Janitors	50	20
3	SERVICES		
407	Gardening & Groundskeeping	16	15
441	Forest Conservation Occupations	24	0
4	FARMING, FISHING, FORESTRY, & RELATED		
620	Mechanics, Automobile	30	12
667	Sawing Occupations	12	9
6	MACHINE TRADES		

UNFILLED JOB OPENINGS FOR SELECTED OCCUPATIONS
IN MONTANA'S JOB SERVICE OFFICES
OCTOBER 1977

	OCCUPATIONAL TITLE	UNFILLED OPENINGS	30 DAYS +
807	Body Work, Transportation Equipment	11	6
821	Electrical Assembling, Installing, & Repairing	13	13
859	Excavating, Grading, Paving, & Related	12	5
860	Carpenters	52	16
866	Roofing & Related Work	12	12
869	Miscellaneous Construction	89	40
899	Miscellaneous Structural Work	13	8
8	STRUCTURAL WORK		
905	Heavy Truck Drivers	29	12
906	Light Truck Drivers	15	7
915	Parking Lot Attendants	21	1
919	Miscellaneous Transportation	13	3
920	Packaging Occupations	10	2
922	Materials, Moving & Storing	15	4
929	Packaging & Materials Handling, N.E.C.	64	13
930	Boring, Drilling, Cutting, & Related	14	2
940	Timber Cutting & Related	45	27
9	MISCELLANEOUS		

TABLE II
UNFILLED JOB OPENINGS FOR SELECTED OCCUPATIONS
IN MONTANA'S JOB SERVICE OFFICES
NOVEMBER 1977

	OCCUPATIONAL TITLE	UNFILLED OPENINGS	30 DAYS +
005	Civil Engineer	15	10
020	Mathematics Occupations	11	6
075	Registered Nurses	11	9
079	Medicine & Health Occupations, N.E.C.	16	8
0	PROFESSIONAL, TECHNICAL, & MANAGERIAL		
160	Accountants & Auditors	16	6
169	Administrative Specializations	20	8
187	Service Industry Management	16	9
195	Social & Welfare Work	19	16
1	PROFESSIONAL, TECHNICAL, & MANAGERIAL		
201	Secretaries	26	4
209	Stenography, Typing, & Related, N.E.C.	22	3
210	Bookkeepers	17	5
219	Computing & Account Recording, N.E.C.	43	12
223	Stock Clerks & Related	14	8
250	Real Estate & Insurance Salespersons	15	14
289	Commodities Salespersons	29	9
293	Canvassers & Soliciters	13	7
299	Merchandising Occupations, Exc. Sales	21	12
2	CLERICAL & SALES		
307	Nursing Attendants	20	8
311	Waiters, Waitresses, & Related	100	41
313	Chefs & Cooks, Large Hotels & Restaurants	43	13
314	Chefs & Cooks, Small Hotels & Restaurants	11	2
318	Kitchen Workers, N.E.C.	13	4
323	Housekeepers	18	10
355	Attendants, Hospitals & Related	47	27
359	Miscellaneous Personal Services, N.E.C.	11	3
381	Porters & Cleaners	11	3
382	Janitors	28	12
3	SERVICES		
407	Gardening & Housekeeping	47	14
441	Forest Conservation Occupations	30	1
4	FARMING, FISHING, FORESTRY, & RELATED		
620	Mechanics, Automobile	23	8
6	MACHINE TRADES		
821	Electrical Assembling, Installing, & Repairing	13	13
860	Carpenters	27	15
869	Miscellaneous Construction	78	39
899	Miscellaneous Structural Work	10	3
8	STRUCTURAL WORK		

UNFILLED JOB OPENINGS FOR SELECTED OCCUPATIONS
IN MONTANA'S JOB SERVICE OFFICES
NOVEMBER 1977

	OCCUPATIONAL TITLE	UNFILLED OPENINGS	30 DAYS +
905	Heavy Truck Drivers	25	11
906	Light Truck Drivers	20	4
909	Motor Freight Transportation, N.E.C.	10	2
915	Parking Lot Attendants	11	4
920	Packaging Occupations	20	5
929	Packaging & Materials Handling, N.E.C.	57	20
930	Boring, Drilling, Cutting, & Related	10	9
940	Timber Cutting & Related	22	10
9	MISCELLANEOUS		

TABLE II
UNFILLED JOB OPENINGS FOR SELECTED OCCUPATIONS
IN MONTANA'S JOB SERVICE OFFICES
DECEMBER 1977

		NON-AGRICULTURAL OPENINGS	
OCCUPATIONAL TITLE		UNFILLED OPENINGS	30 DAYS+
005	Civil Engineering	11	8
018	Surveyor, N.E.C.	10	5
020	Mathematics Occupations	14	7
075	Registered Nurses	10	9
079	Medicine & Health Occupations, N.E.C.	10	9
0	PROFESSIONAL, TECHNICAL & MANAGERIAL		
160	Accountants & Auditors	11	7
166	Personnel & Training Administration	10	1
168	Inspectors & Investigators, Managerial & Public Serv.	11	7
169	Administrative Specializations	13	8
187	Service Industry Management	11	6
195	Social & Welfare Work	18	7
1	PROFESSIONAL, TECHNICAL & MANAGERIAL		
201	Secretaries	30	10
209	Stenography, Typing, & Related, N.E.C.	32	11
210	Bookkeeping	16	5
211	Cashiers	12	4
213	Automatic Data Processing	12	3
219	Computing, & Account Recording, N.E.C.	43	18
223	Stock Clerks & Related	20	4
249	Miscellaneous Clerical	10	5
250	Real Estate & Insurance Salespersons	11	11
289	Commodities Salespersons	21	10
290	Sales Clerks	14	3
299	Merchandising Occupations, Except Sales	10	4
2	CLERICAL & SALES		
307	Nursing Attendants	20	9
311	Waiters, Waitresses, & Related	108	26
313	Chefs & Cooks, Large Hotels & Restaurants	48	29
314	Chefs & Cooks, Small Hotels & Restaurants	11	5
318	Kitchen Workers, N.E.C.	10	1
323	Housekeepers	12	5
355	Attendants, Hospitals & Related	41	30
382	Janitors	30	7
3	SERVICES		
407	Gardening & Groundskeeping	63	40
441	Forest Conservation Occupations	20	2
4	FARMING, FISHING, FORESTRY, & RELATED		
620	Mechanics, Automobile	19	10
625	Engine, Power Transmission, & Related Mechanics		
6	MACHINE TRADES	11	5

UNFILLED JOB OPENINGS FOR SELECTED OCCUPATIONS
IN MONTANA'S JOB SERVICE OFFICES
DECEMBER 1977

		NON-AGRICULTURAL OPENINGS	
OCCUPATIONAL TITLE		UNFILLED OPENINGS	30 DAYS +
821	Electrical Assembling, Installing, Repairing	13	13
860	Carpenters	22	9
869	Miscellaneous Construction	79	40
899	Miscellaneous Structural Work	12	6
8	STRUCTURAL WORK		
905	Heavy Truck Drivers	18	7
915	Parking Lot Attendants	10	0
922	Material, Moving & Storing	16	7
929	Packaging & Materials Handling, N.E.C.	39	15
940	Timber Cutting & Related	19	11
9	MISCELLANEOUS		

TABLE III
SELECTED CHARACTERISTICS OF APPLICANTS
IN THE ACTIVE FILES OF MONTANA'S JOB SERVICE OFFICES

OCTOBER 1977

D.O.T. Code	Occupational Title	Total	Female	Veteran	Minority	Economically Disadvantaged
00-19	Professional, Tech. & Managerial	2,799	1,261	825	199	408
20-24	Clerical	3,806	3,422	255	277	904
25-29	Sales	1,775	1,147	303	80	389
30	Domestic	733	474	37	106	329
31-39	Other Services	4,844	3,488	549	561	1,899
40-49	Farming, Fishing & Forestry	925	97	315	144	301
50-59	Processing	246	48	66	23	54
60-69	Machine Trades	1,162	61	528	61	236
70-79	Bench Work	246	115	70	61	101
80-89	Structural Work	3,925	77	1,669	425	865
90-91	Motor Freight & Transportation	1,388	108	640	90	269
92	Packaging & Material Handling	1,634	124	495	212	501
93-97	Miscellaneous	508	29	233	47	121
	Entry Level	1,858	1,051	233	240	692
	TOTAL	25,849	11,502	6,218	2,526	7,069

NOVEMBER 1977

00-19	Professional, Tech. & Managerial	3,466	1,492	1,000	235	485
20-24	Clerical	4,664	4,162	315	345	1,030
25-29	Sales	2,229	1,426	355	103	440
30	Domestic	884	564	41	126	353
31-39	Other Services	5,853	4,146	652	659	2,060
40-49	Farming, Fishing & Forestry	1,351	147	439	179	361
50-59	Processing	300	58	83	32	57
60-69	Machine Trades	1,471	74	654	81	269
70-79	Bench Work	294	122	92	69	112
80-89	Structural Work	5,314	103	2,117	574	1,059
90-91	Motor Freight & Transportation	1,778	131	774	112	325
92	Packaging & Material Handling	2,189	165	589	243	630
93-97	Miscellaneous	690	37	283	67	145
	Entry Level	2,285	1,276	264	287	793
	TOTAL	32,768	13,903	7,658	3,112	8,119

DECEMBER 1977

00-19	Professional, Tech, & Managerial	2,562	970	841	182	383
20-24	Clerical	3,248	2,840	270	262	818
25-29	Sales	1,647	999	312	82	363
30	Domestic	672	422	40	102	309
31-39	Other Services	4,503	3,142	564	520	1,802
40-49	Farming, Fishing, & Forestry	1,207	138	398	132	309
50-59	Processing	258	53	81	34	52
60-69	Machine Trades	1,291	60	626	63	258
70-79	Bench Work	254	96	86	58	97
80-89	Structural Work	4,574	78	1,944	556	961
90-91	Motor Freight & Transportation	1,501	84	688	99	294
92	Packaging & Material Handling	1,762	115	517	206	551
93-97	Miscellaneous	652	28	259	66	123
	Entry Level	1,607	879	222	236	638
	TOTAL	25,918	9,904	6,848	2,598	6,958

LABOR TURNOVER

LABOR TURNOVER

The labor turnover rate is a measure of the number of workers per 100 employees, who move into (accessions), and out of (separations), postions of employment each month. For purposes of analysis, labor turnover rates are applied only to manufacturing and mining industries with their sub-sectors of durable goods, primary metals manufacturing, non-durable goods and metal mining.

Accessions include the addition of temporary or permanent workers to the payroll either as new hires or rehires. Conversely, separations include the termination of workers through quits, layoffs, and other forms such as discharge, disability, or retirement.

Average turnover rates during the fourth quarter of 1977 posted declines from third quarter rates in most of the industrial sectors and subsectors for which turnover records are kept.

Non-durable goods manufacturing showed a slight increase in the accession rate from third quarter (4.9 to 5.0), and a substantial increase (3.7 to 4.9) in the separation rate. This sector had the highest labor turnover rate for the year, as well.

The mining industry was the only other area which experienced any increase in turnover rates from the third to fourth quarter. Accessions per 100 employees increased from 2.1 to 2.3, although the separation rate remained unchanged at 4.5.

In general, accession rates for the industrial sectors listed were highest during the third quarter. The reasons for this pattern are likely traceable to normal activity increases during the spring and early summer, followed by the return of many students to their schools and other seasonal workers to different jobs and geographical areas in the late summer and early fall.

TABLE IV

LABOR TURNOVER RATES IN SELECTED MONTANA INDUSTRIES 1977

(Per 100 Employees by Calendar Year)

MANUFACTURING

	1977 Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	1977 Avg.
Total Accessions	2.8	2.5	3.2	4.0	3.3	5.8	3.4	4.4	4.8	4.6	1.8	2.1	3.5
New Hires	1.7	1.8	2.6	3.0	2.6	4.8	3.2	4.0	4.3	4.4	1.3	1.7	2.9
Total Separations	2.2	3.1	3.9	3.1	3.1	2.9	2.7	4.7	5.5	3.5	4.1	1.9	3.3
Quits	1.1	1.6	1.3	1.8	1.5	1.9	1.5	2.7	3.6	2.0	1.3	1.0	1.7
Layoffs	.7	.7	2.0	.6	.9	.4	.6	.5	.6	.9	2.3	.5	.9

DURABLE GOODS

Total Accessions	3.1	2.4	3.2	4.1	3.5	5.8	3.7	4.1	3.6	1.9	1.4	1.7	3.2
New Hires	1.8	1.7	2.7	2.9	2.6	4.6	3.6	3.6	3.4	1.7	.8	1.3	2.5
Total Separations	2.7	2.4	2.4	3.1	2.5	2.6	2.6	5.3	5.9	2.5	2.3	1.6	3.0
Quits	1.3	1.1	1.0	1.9	1.2	1.6	1.5	2.6	3.8	1.3	.6	.6	1.5
Layoffs	1.0	.8	.9	.7	.7	.4	.4	.7	.5	.4	1.3	.5	.7

PRIMARY METAL INDUSTRIES

Total Accessions	2.2	2.5	4.8	2.6	4.3	5.9	1.9	2.3	3.1	1.4	1.0	2.5	2.9
New Hires	.8	1.1	4.0	2.4	.8	3.3	1.9	1.8	1.9	.8	.6	1.5	1.8
Total Separations	.7	1.6	3.5	2.5	3.7	2.0	1.8	6.6	6.4	2.0	3.0	1.3	2.9
Quits.....	.4	.5	.6	.8	.7	.6	1.2	1.6	3.2	.6	.5	.5	.9
Layoffs.....	*	.5	2.6	1.2	2.1	.5	*	3.0	1.2	.5	1.6	.4	1.1

NON-DURABLE GOODS

Total Acessions.....	2.1	2.7	3.0	3.9	2.8	6.0	2.7	5.0	6.9	9.7	2.6	2.8	4.0
New Hires.....	1.5	2.0	2.6	3.2	2.5	5.3	2.6	4.6	6.0	9.4	2.1	2.4	3.6
Total Separations.....	1.3	4.3	6.4	3.2	4.3	3.4	2.9	3.6	4.7	5.4	7.1	2.3	4.0
Quits.....	.7	2.4	1.8	1.6	2.0	2.3	1.5	2.9	3.2	3.2	2.4	1.6	2.1
Layoffs.....	.3	.5	3.9	.1	1.4	.3	.9	.1	.7	1.7	4.1	.4	1.2

MINING

Total Accessions.....	1.2	1.1	3.3	2.8	2.8	2.3	1.0	3.2	2.1	3.7	2.9	.4	2.2
New Hires.....	.8	.4	2.0	1.0	1.3	2.5	.8	2.3	1.6	2.6	.6	.1	1.2
Total separations.....	5.1	3.0	3.0	2.2	3.8	2.6	3.8	1.5	8.3	4.7	4.4	4.3	3.7
Quits.....	1.7	2.2	1.5	.5	1.8	1.6	1.2	1.1	6.4	3.2	2.8	3.2	2.2
Layoffs.....	2.9	.2	.7	1.0	.6	*	.1	.2	1.3	.9	.4	.4	.7

METAL MINING

Total Accessions.....	1.2	.6	3.0	4.2	2.8	2.5	2.0	2.2	1.5	2.0	1.8	1.2	2.0
New Hires	.1	*	*	.1	.1	.4	.8	.1	.1	.1	.1	.2	.1
Total Separations.....	8.5	2.0	3.3	1.3	2.1	1.4	12.9	.9	4.3	4.5	2.9	1.4	3.2
Quits.....	.1	*	.3	.1	.1	.4	1.2	.2	.3	.3	.1	.1	.2
Layoffs.....	7.0	.6	1.9	.1	.3	*	.5	.1	2.6	2.6	1.2	.3	1.6

* *Less than .05* *Prepared in cooperation with U. S. Department of Labor, Bureau of Labor Statistics. Series began January 1959.*

HOURS AND EARNINGS

HOURS AND EARNINGS

Hours and earnings data for statewide industries during 1977 have been among the most favorable recorded in the last ten years. Average weekly earnings for total private non-farm wage and salary jobs increased during each successive quarter of the year, reaching a high of $201.29 in the fourth quarter. Average weekly hours for the last three months of 1977 were 35.2, yielding a fourth quarter average hourly earning rate of $5.72 - also a high for the year.

Perhaps of greater significance than these figures alone is the level of average weekly real spendable earnings. This economic indicator is a measure of the disposable income of non-agricultural production workers in constant 1967 dollars. During the year, earnings showed consistent quarterly increases, from an average level (not seasonally adjusted), of $84.31 in the first quarter, to a high of $92.32 in the fourth quarter. These movements are indicative of a very positive trend in the consumer sector.

TABLE V

MONTANA

HOURS AND EARNINGS SERIES BY MONTHS

Average Hours and Earnings in Private, Nonagricultural Industries 1977 (I)

AVERAGE WEEKLY EARNINGS

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
TOTAL PRIVATE	$175.94	$176.00	$174.94	$178.69	$184.79	$185.26	$190.97	$200.28	$197.89	$202.65	$190.85	$210.37	$189.38
MANUFACTURING	254.58	247.25	246.84	252.72	262.06	270.26	260.94	273.49	289.08	298.49	303.30	315.24	272.95
Durable Goods	257.83	248.63	246.19	254.00	265.44	277.78	269.51	278.42	297.79	312.58	309.29	217.95	277.75
Primary Metal Industries	289.87	287.38	274.06	296.70	287.60	287.96	286.86	281.94	279.82	310.06	308.83	313.94	291.65
Nondurable Goods	247.78	243.75	247.81	250.00	252.89	251.02	241.59	261.12	268.92	274.57	288.84	309.34	261.74
Food and Kindred Products	218.54	220.25	218.50	216.59	228.10	231.57	202.78	241.82	248.51	228.78	247.83	245.95	230.45
MINING	326.70	317.46	314.22	328.42	327.67	333.17	336.58	374.69	358.90	378.06	361.46	381.87	345.40
Metal Mining	318.10	291.85	290.48	310.70	302.48	324.32	332.88	437.96	392.96	434.07	403.60	450.11	359.72
CONTRACT CONSTRUCTION	319.77	325.66	327.60	338.72	345.22	352.47	379.44	429.46	416.49	409.42	412.18	432.20	379.64
TRANSPORTATION AND PUBLIC UTILITIES	280.16	287.32	285.66	292.63	301.49	322.09	307.94	314.61	311.96	315.78	315.84	314.81	302.63
Commun., Elec., Gas, San. Services	253.97	271.17	254.92	263.98	265.03	272.21	270.08	275.37	270.82	275.10	277.01	272.21	268.74
WHOLESALE AND RETAIL TRADE	143.59	145.52	143.55	146.48	151.01	149.63	158.35	163.45	150.33	157.74	156.13	156.13	153.72
FINANCE, INSURANCE, AND REAL ESTATE	131.39	131.32	126.91	131.02	131.38	128.43	130.67	129.78	134.30	139.48	142.01	143.93	133.21
SERVICES	107.68	109.82	109.07	109.35	109.59	109.96	113.02	111.80	118.59	117.41	118.40	134.52	113.84

AVERAGE WEEKLY HOURS

TOTAL PRIVATE	35.4	35.2	35.2	34.9	34.8	34.5	35.3	35.7	35.4	35.0	34.7	35.9	35.2
MANUFACTURING	42.5	40.6	40.4	40.5	41.4	41.9	40.9	42.6	42.7	43.1	42.9	42.6	41.8
Durable Goods	43.7	41.3	41.1	41.3	42.0	43.0	41.4	43.3	43.6	44.4	43.5	43.2	42.6
Primary Metal Industries	41.0	40.2	38.6	40.7	40.0	39.5	37.4	37.0	35.6	39.7	39.9	40.3	39.2
Nondurable Goods	39.9	39.0	38.6	38.7	39.7	39.1	39.8	40.8	40.5	40.2	41.5	41.3	39.9
Food and Kindred Products	40.1	39.9	38.0	37.8	41.1	41.5	42.6	42.8	42.7	41.0	43.1	42.7	41.3
MINING	43.1	42.9	43.4	45.3	43.4	41.5	41.4	42.1	41.3	42.1	41.5	43.1	42.8
Metal Mining	42.3	40.2	40.4	42.1	39.8	39.6	38.0	41.2	38.3	39.0	40.0	43.7	40.6
CONTRACT CONSTRUCTION	37.4	38.0	39.0	38.8	38.4	36.3	38.6	38.9	38.6	37.7	37.1	33.4	37.7
TRANSPORTATION AND PUBLIC UTILITIES	41.2	41.4	41.4	41.1	41.3	41.4	42.3	42.4	42.1	42.5	42.0	42.6	41.8
Commun., Elec., Gas, San. Services	40.7	40.9	40.4	40.8	40.9	42.6	42.6	42.3	41.6	42.0	41.1	42.8	41.6
WHOLESALE AND RETAIL TRADE	34.6	33.3	33.0	31.3	31.2	32.6	34.2	35.0	34.4	33.0	32.8	32.8	33.2
FINANCE, INSURANCE, AND REAL ESTATE	36.7	37.2	37.0	36.7	36.8	36.8	36.5	37.4	37.1	36.9	36.6	37.3	36.9
SERVICES	29.5	29.6	29.4	28.7	29.7	29.4	29.9	29.5	29.5	29.5	29.6	33.8	29.8

AVERAGE HOURLY EARNINGS

TOTAL PRIVATE	$4.97	$5.00	$4.97	$5.12	$5.31	$5.37	$5.41	$5.61	$5.59	$5.79	$5.50	$5.86	$5.38
MANUFACTURING	5.99	6.09	6.11	6.24	6.33	6.45	6.38	6.42	6.77	6.98	7.07	7.40	6.53
Durable Goods	5.90	6.02	5.99	6.15	6.32	6.46	6.51	6.43	6.83	7.04	7.11	7.36	6.52
Primary Metal Industries	7.07	7.14	4.10	7.29	7.19	7.29	7.67	7.62	7.86	7.81	7.74	7.79	7.44
Nondurable Goods	6.21	6.25	6.42	6.46	6.37	6.42	6.07	6.40	6.64	6.83	6.96	7.49	6.56
Food and Kindred Products	5.45	5.52	5.75	5.73	5.55	5.58	4.76	5.65	5.82	5.58	5.75	5.76	5.58
MINING	7.58	7.40	7.24	7.25	7.55	7.98	8.13	8.90	8.69	8.98	8.71	8.86	8.07
Metal Mining	7.52	7.26	7.19	7.38	7.60	8.19	8.76	10.63	10.26	11.13	10.09	10.30	8.86
CONTRACT CONSTRUCTION	8.55	8.57	8.36	8.73	8.99	9.71	9.83	11.04	10.79	10.86	11.11	12.94	10.07
TRANSPORTATION AND PUBLIC UTILITIES	6.80	6.94	6.90	7.12	7.30	7.78	7.28	7.42	7.41	7.43	7.52	7.39	7.24
Commun., Elec., Gas, San. Services	6.24	6.63	6.31	6.47	6.48	6.39	6.34	6.51	6.51	6.55	6.74	6.36	6.46
WHOLESALE AND RETAIL TRADE	4.15	4.37	4.35	4.68	4.84	4.59	4.63	4.67	4.37	4.78	4.76	4.76	4.63
FINANCE, INSURANCE, AND REAL ESTATE	3.58	3.25	3.43	3.57	3.57	3.49	3.58	3.47	3.62	3.78	3.88	3.86	3.61
SERVICES	3.65	3.34	3.71	3.81	3.69	3.74	3.78	3.79	4.02	3.98	4.00	3.98	3.82

(1) *Based on reports from cooperating establishments, and covers both full and part-time production and related workers who worked during or received pay for any part of the weekly pay period including the 12th of each month. Figures are average of gross earnings including overtime and premium pay. Selected Industries series began January 1950; Total Private Sector series began January 1969. Prepared in cooperation with U. S. Department of Labor, Bureau of Labor Statistics.*

EMPLOYMENT AND UNEMPLOYMENT OUTLOOK

EMPLOYMENT AND UNEMPLOYMENT OUTLOOK

In terms of the employment situation and the general economic outlook, Montana, early in 1978, remained on a seasonal course of restrained activity. While there are variations in the composition of the economic base from east to west within the State, one common influence exists - the weather. The lumber and wood products, construction, and agricultural industries all face the same limitations of Montana's climate. Particularly during the winter months, as evidenced by peak unemployment rates, these segments of the economy must gear down because of virtually intolerable working conditions. Other industries are not directly concerned, yet the derivative effects of the general slowdown of outdoor activities spill over into all sectors of the economy.

During this dormant stage of the year, the insufficiency of relevant economic data makes it difficult to analyze the potential for further growth this spring. Nonetheless, indications from manufacturing are that this potential is real. The average work week continues to hover at near record levels, while layoffs and new hires have been stable. Even employment has not decreased as much as could be expected in light of activities in lumber and wood products, and in primary smelting.

New business formations during 1977 reached record levels on a statewide basis. If this trend continues, the effects upon the overall employment picture should be positive both in the short run and the long run.

On the whole, the economy is functioning as expected and no signs of economic downturn have been isolated.

The feeling here as well as nationally is that the construction industry should enjoy at least one more good year, and there exists an equally favorable outlook in manufacturing. In addition, while the need for conservation of energy remains, the crisis in hydroelectric power and its detrimental effects on the economy have somewhat dissipated.

The only negative factor in the economic future is the persisting uncertainty in agriculture. Any relief there would surely aid further improvements in the economy. The effects on employment levels would be minimal, but any increases in farm receipts would have a directly positive influence on personal income levels, providing more spending support for expansion in all sectors of the economy.

SECTION III
LABOR MARKET INFORMATION
MONTANA'S SMSA'S*

* SMSA - Standard Metropolitan Statistical Area

GREAT FALLS SMSA (Cascade County)

Employment and Unemployment Situation:

During 1977 virtually every figure representative of employment and unemployment in the Great Falls SMSA was much improved over the previous year. With 32,172 people, the civilian labor force was at its lowest point in January, but it continued to increase during each successive month until its highest level of 35,830 last July. The average for the entire year was 34,450, a substantial increase over 1976's average of 32,096. Employment, too, was at its lowest level in January, and its highest in July. The month to month movement of employment resulted in an annual average of 32,406 persons at work during the year as opposed to the 1976 average of 29,490. These various employment and unemployment patterns resulted in an unemployment rate of 5.9% for the year. This represents a decline of 2.2% from 1976, and is a very positive indicator of the relative economic improvement of the Great Falls SMSA during 1977.

Economic Highlights 1977:

By most standards, the past year has been an excellent one for the economic health of the Great Falls area. Accompanying the decline in the overall unemployment rate were activity increases in the business and construction sectors, which were the bright spots of the local economy in 1977. For the year, 508 new businesses were established in the area, compared with 310 new firms in 1976. This represents an increase of 64% and is thus a strong positive indicator of improved conditions in Cascade County.

The construction sector has been the mainstay of employment and monetary distributions in many localities during the past year, and Great Falls is no exception.

Residential building permits issued were many, with a good increase in the demand for homes and apartment dwellings. More than one large-scale multiple-dwelling complex was constructed in the area at costs of more than $1 million. Projects of this size serve to distribute very large amounts of money throughout the economy. In addition, a number of non-residential projects of considerable economic impact were undertaken during the year. Though this part of the construction sector was not as strong as residential building, it nonetheless provided impetus with major projects such as airport improvement, bridge construction, and recreational facilities for the county.

The area did experience some adverse conditions, in the form of labor disputes during the year. Four different disputes arose which affected varying numbers of workers, including construction laborers, smelter workers, city employees, and those working on missile site improvements in the vicinity. The problems in each case were resolved, however, without long-lasting hardship for the parties involved, and leaving the economy of the SMSA in a sound state.

BILLINGS SMSA (Yellowstone County)

Employment and Unemployment Situation:

In terms of the labor market, the Billings economy showed another strong performance during 1977, boasting a year-to-year growth rate of 5.5% for the civilian labor force which climed to an average of 52,000 persons for the year. At the same time, total employment rose by an even larger margin, 6.9% or 3,200 workers, ahead of 1976 levels. An average of 49,600 persons were employed in the area during 1977. The employment gain was reflected in all of the major industrial sectors, with the government and wholesale-retail trade industries accounting for the bulk of the increase, 1,800 of the 3,000 additional workers. Manufacturing and services followed with increases of 400 each, while the construction, transportation, communication and public utilities, and finance, insurance and real estate industries experienced a combined increase of 400 workers.

The jobless rolls also reflected a positive stature for 1977. Average monthly unemployment leveled at 2,400, which is a distinct improvement from the 2,900 figure for 1976. The combination of the improvements among the employed and the unemployed caused 1977's jobless rate to fall to 4.6%. The situation is further accented, when it is considered that most of the improvements took place during the second half of the year, when the rate did not edge above December's high of 4.2%.

This county has experienced an average growth rate in the civilian labor pool of roughly 4.5% during the 1970 - 1977 period. The 1977 rate, however, surpassed this growth average, with a 5.5% rate.

An additional 3,000 workers were added to ranks of the job-holders during 1977, which indicated the strength of the Billings economy. The recession only slowed a rapidly expanding job market. But, as the figures show, Yellowstone County remains the State's major growth center.

Economic Highlights 1977:

In retrospect, the Billings local economy enjoyed a very good year during 1977, with a strong resurgence of economic growth in the third year of recovery following the 1974 recession. Trends in two primary facets of the economy, the job market and the business community, each support this observation. As already noted above, the job picture definitely showed improvement during the year. In terms of commerce, a total of 781 new businesses entered the Billings SMSA during 1977, which represents a gain of 33% from the 1976 total of 583. This definitely portrays economic expansion, although it must be stated that the feverish pace of the first half of the year was not maintained. At that point, business formations were 58% ahead of comparable 1976 levels.

Building permits, an indicator of general construction activity, also noted positive trends. The number of permits issued in the city of Billings. The 1977 building valuation reached $53.2 million, compared with $46.5 million for the previous year.

SECTION IV
LABOR MARKET INFORMATION
MONTANA'S LMA'S*

* LMA - Labor Market Area

ANACONDA - BUTTE LMA

Employment and Unemployment Situation:

In 1977, the unemployment rate averaged 7.7% for this labor area, which represents a considerable improvement from 10.1% recorded for 1976. All six counties shared in improvement, although the rate is still high by any means of economic determination. Those counties with the highest rates of joblessness include Silver Bow, with a 9% rate; Granite, 9.2%; Deer Lodge, 8.2%; and Powell, 6.9%. All of these counties have a common economic base with mining and/or manufacturing, particularly copper mining-manufacturing and lumber-logging industries.

As such, the frequent sales downturns in these industries have contributed to the prevalent labor surplus in these areas. On the contrary, Madison and Beaverhead counties are primarily agriculture and trade based economies. These industries are less subject to the ups and downs of the business cycle, in terms of employment. For this reason, Beaverhead county's 1977 unemployment averaged only 3.6% and Madison experienced a 5.1% rate. In 1976 an average of 3,600 persons were unemployed in this labor area, while in 1977 there was an average of 2,700 unemployed workers with nearly 60% from Silver Bow county. Those employed included 32,100 persons, 300 more than one year ago. The decline in the jobless rolls more than offset the employment gains leaving a net loss for the civilian labor pool, which totaled 34,800 persons for 1977 and 35,300 in 1976.

Economic Highlights 1977:

In terms of new business formations, the area economy is in much better shape than a year ago. A total of 314 firms entered the six-county area during 1977, which compares with 254 new firms for 1976, or an increase of almost 24%. This closely followed the trend for unemployment, as all six counties experienced improvement during the same period. Also related to the surge in new business formations is the expansion of the construction industry. This industry generally fared well during 1977 with the increased demand for residential as well as business space. Probably the brightest spot in the economic picture during 1977 was the decision to construct a Magnetohydrodynamics Research facility in Butte. The cost of the project is expected to reach $20 million for the construction phase alone. About 100 construction workers were employed on the project at year's end, and this should move to 200 by middle 1978. The home building industry also experienced a good year, with the low interest state financed mortgage funds providing added stimulus to an already active housing market.

ANACONDA - BUTTE LMA (Cont.)

The lumber and wood products industry is the most dominant in Powell, Deer Lodge and Granite counties. The closure of several mills over the past several years has caused severe labor problems to the already over-supplied labor market. However, during 1977, one of the mills reopened and a national building boom helped carry area mills through a fair year in terms of production and employment.

The copper industry again highlighted the bulk of the economic news for this labor market area, particularly smelting and refining in Anaconda and open pit mining in Butte. The year opened with the acquisition of the State's large copper firm by a major energy-related concern. Along with the sale came fresh speculation of a shutdown of Montana mining, or possible capital spending plans, neither of which occurred. Nationally, the copper industry had been plagued by higher costs and low market prices for several years. By last spring the price of copper rose to near profitable levels, (74¢ a pound). As it turned out the price increases were just temporary, as stockpiling occurred in anticipation of a labor dispute when the three-year contracts expired on July 1, 1977. The labor dispute did occur, although in Montana a settlement was reached in about three weeks. By year's end the price of copper was down again (65¢ a pound) and further production cut-backs became a reality.

BOZEMAN LMA

Employment and Unemployment Situation:

The tri-county Bozeman LMA showed mixed trends in its employment situation this year compared with 1976. On the negative side, the 1977 average for the civilian labor force was 24,737, 1.8% less than last year's average of 25,203. At the same time, the average number of persons employed this year was 23,427, slightly less than the 1976 figure of 23,494.

These negative aspects of the employment situation are over-shadowed, however, by the decline in the number of persons who were unemployed during the year. That average dropped from 1,709 last year to 1,310 for 1977, and brought the calculated average rate of unemployment to 5.3% for the year. This is a very positive turn of events in light of the fact that the 1976 average unemployment rate was 6.8% for the Bozeman area. This year's rate also compares well with the statewide average of 6.1%.

Economic Highlights 1977:

The 1977 Bozeman area saw a number of general improvements in its economic climate. Reports on bank debits through June indicated consistent increases over previous year levels. Bank debits are one indicator of the amount being spent on goods and services in an area, and as such, the increases are a positive economic factor in this region.

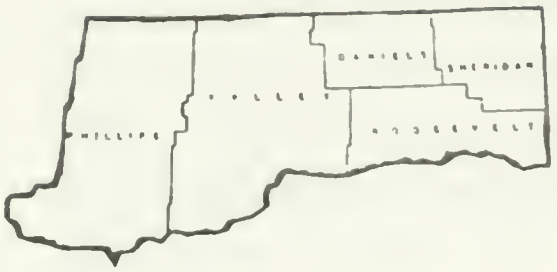
New business formations offered another solid indication of economic health in the Bozeman LMA during the past year. With 427 firms started during 1977, a 46% increase was realized over 1976 levels, implying a strong trend of improvement in this aspect of business activity.

As in many areas statewide, Bozeman building was booming during the year, with a surge in residential construction supporting much of the business in that sector. One of the more prominent non-residential building projects of the past twelve months was a $1.5 million contract for work on an airport terminal to service the greater Bozeman area.

Generally, the three county LMA enjoyed a good year in 1977. An economic highlight of the summer was a trailer caravan rally attended by some 10,000 persons. The get-together reportedly pumped an additional $3 million into the area.

Finally, with a very good ski season on hand, area commerce ended the year on a sound note and began the new year in similar fashion.

GLASGOW LMA



Employment and Unemployment Situation:

In 1977 the civilian labor force for the Glasgow labor market expanded by over 700 individuals, but, more importantly, employment rose an average of nearly 5% for the year. Thus, the computed unemployment rate fell to 5.6%, well below the rate of 6.1% for 1976. Despite this overall improvement in the statistics for the entire area, Daniels and Valley counties actually displayed slight increases in the rate of unemployment, with 1977 average rates of 2.9% and 8.8%, respectively. The remaining counties of Phillips, Roosevelt, and Sheridan showed marked improvement, with Roosevelt standing out as the major beneficiary of employment increases in the labor market. Here employment increases averaged almost 800 workers over the year, forcing the unemployment rate to 5.1% from 6.4% in 1976.

Economic Highlights 1977:

As was the case statewide, the bulk of the economic activity for 1977 in the Glasgow labor market centered on the construction industry. A new hospital in Glasgow contributed to the general health of the local economy, while on the western edge of the LMA in Phillips county, construction of a new natural gas line helped fuel an expanding job market. Other notable undertakings in the area included a senior citizen center, a bank, a sewer project, and a large housing project.

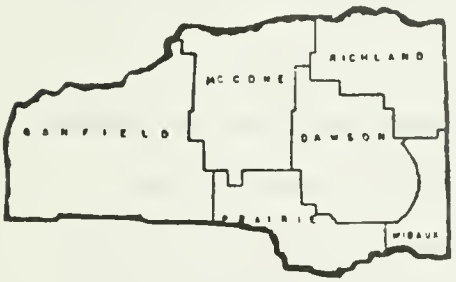
While these construction activities have provided additional stimulus to the economy, possibly the most significant event in this part of the state was the decision to redevelop the old U.S. Air Force facility in Glasgow.

GLASGOW LMA (Cont.)

Business leaders are hoping to attract light manufacturing or related industry groups, but at present the status of any new business relocations or formations is still up in the air.

Other indicators of economic growth have not been so positive. Particularly, new car registrations signaled a turn toward a course of moderate demand for durable goods in the retail sector, and bank debits, a rough measure of consumer spending, were held in check for most of the year.

GLENDIVE LMA



Employment and Unemployment Situation:

During the past twelve months, all figures for employment and unemployment in this LMA showed improvement over 1976 levels. The unemployment rate, usually the figure of greatest significance to the public, dropped from an already sound 4.3% in 1976, to an even better annual average of 3.6% for 1977.

Comparing the levels of the civilian labor force for the same two years, improvement is again very evident. From a previous year's average of 13,796, the number of persons in the labor pool increased to 1977's average of 14,522. At the same time, employment increased from 13,209 to 13,992, and the jobless rolls declined by an average of fifty persons, to 530. During the past twelve months, employment reached its yearly high of 15,948, in August. Unemployment, on the other hand, reached its low point of 323 persons, in October.

Economic Highlights 1977:

Examination of the economic events of 1977 reveals healthy progress overall for the region surrounding Glendive.

GLENDIVE LMA (Cont.)

The excellent year in the construction sector which Montana enjoyed as a whole, was also noticed in this LMA in the form of increased demand for housing and general business facilities. In each of these areas, contracting firms were kept busy until poor weather halted much of their work in late October and November. Highway construction was also an important factor, with a great deal of road improvement taking place in this eastern part of Montana.

Perhaps the greatest single factor which influenced the area during the year was the harvest and processing of the sugar beet crop. From September through December, various forms of work on this very important crop provided employment and economic stimulus to the region, particularly in the locations where shipping and processing were concentrated.

Two other aspects of commercial activity which showed distinct signs of improvement were the number of new businesses formed, and the total amount of bank debits recorded. In the former category, an increase of 48% over the 1976 total registration was realized, with 163 new firms operating in 1977, compared with 110 in the previous year. The most notable increase took place in Richland county where the number of new businesses almost doubled the 1976 total of 41.

Finally, in the latter category of bank debits (a rough indicator of consumer spending), the increases over previous year levels suggest healthy monetary infusions to the LMA economy, and thus provide another positive factor for this region.

HARDIN-RED LODGE LMA

Employment and Unemployment Situation:

The 1977 unemployment rate averaged 5.4% for the four counties comprising the Hardin-Red Lodge labor market area. This compares favorably with the area-wide rate of 6.7% for 1976.

The jobless rolls reflected this positive trend, as an average of 100 fewer persons were without jobs during the year. Out of 12,200 persons in the civilian labor pool, an average of 700 were unemployed for 1977.

In terms of employment, the monthly average for 1977 was 11,600 persons, which is a respectable 8.2% increase over the previous year's coverage. In other words, an additional 1,000 persons were added to the payrolls of the four counties during the year. This is important, as job creation and expansion point to positive economic growth in other areas of the overall local economy.

Among the individual areas, Big Horn county noted the smallest drop in unemployment, with the 1977 rate hitting 7.4% compared with 7.6% for 1976. Carbon, Stillwater and Sweet Grass counties noted rates of 5.1%, 3.8% and 2.8%, respectively. The comparable rates for 1976 were considerably higher - 6.8%, 6.2%, and 4.6%.

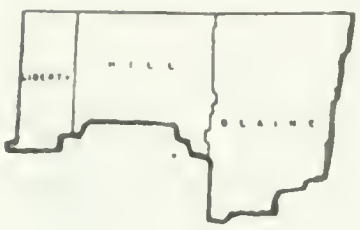
Economic Highlights 1977:

As with most of the state, the two primary economic indicators for this area presented conflicting pictures for 1977. New business formations, a good indicator of general economic expansion noted a positive year, although not by a large measure. The 1977 total reached 102, up 13 from the previous year's figure of 90. New car registrations, on the other hand showed a negative trend, as 1977's total fell 124 from 1976 levels - 436 new cars registered for 1977. When analyzing the two indicators, we must consider an obvious limitation: new car registrations indicate a sales downturn, but only among car dealers, while new business formations point to a general expansion of area businesses. With this in mind, along with an improved labor market during 1977, the four-county area appears to have followed state and national trends in enjoying an improved economy in comparison with 1975 and 1976.

HARDIN-RED LODGE LMA (Cont.)

Agriculture remains as an important industry to this labor area, both in terms of employment and cash flow. As was mentioned earlier, this sector did not enjoy many of the benefits of economic recovery, as did the nonagricultural sector. However, livestock prices did bounce upward slightly during the year, which helped neutralize the price slide in the harvest sector.

HAVRE LMA



Employment and Unemployment Situation:

The civilian labor force boasted an average of 13,300 persons in the Havre labor market area during 1977. This represents a healthy 7.6% increase over the 12,300 figure for 1976. The employment picture showed an even larger gain - 8.9%, to an annual average of 12,600 workers during 1977. In terms of sheer numbers, Hill county noted the largest employment gain, increasing 700 to an employed work force of 8,600 workers, while Blaine county experienced the largest percentage gain, 11.5%.

The unemployment situation also showed improvement over the previous year, as the jobless rolls fell 100 from 1976 levels and the jobless rate moved from 6% to 4.8%. This appears even more positive, when compared with rates of 6.1% and 7.1% for the state and the nation. The rates for the individual counties varied from 2.9% for Liberty County to 5.7% for Blaine County, with Hill County posting the area-wide average rate of 4.8%.

The above statistics speak for themselves. The 1977 calendar year could be mentioned as sound in terms of employment growth and an across-the-board decline in joblessness.

Economic Highlights 1977:

New business formations remains as one of the leading gauges of economic activity within the county and the labor market area level. As with most areas in the state, this indicator showed positive trends for the Havre labor area. The 1977 total reached 157, up nearly 24% from 1976's total, 127 new businesses. Specifically, the retail trade industry captured most of the spotlight for 1977. Late in the year construction began on a new $8 million shopping complex in Havre. The center is located on a 25 acre site on the west end of the city, and will enclose 223,000 square feet of space for the expected 41 stores, including three department stores and a theatre. As reported in an earlier issue, the boost to the economy should be two-fold - providing about 600 jobs at the complex and additional cash receipts of an expected 35 - 50% of the area's present gross retail cash receipts. Furthermore, in the city's downtown area, financing was arranged to convert a vacated building into a 71,761 square feet enclosed downtown shopping mall with leaseable space for up to 40 enterprises.

The major economic benefits of these two projects will not be felt until late 1978, when most of the stores are expected to be open for business. In a labor area primarily dependent on agriculture, and oil and gas exploration, the addition of two major retail complexes could add a new facet to the industrial composition of the area, particularly in Havre. Speculators have long felt that the highline region could use another shopping city and this potential is now becoming a reality.

Agricultural producers did not fare so well during 1977. Prices for wheat, barley and oats were below profitable levels for over two years, as was widely publicized through a nationwide farmers strike. And in an area boasting three of the top agricultural counties in the state, this price drop has had adverse effects. With lower cash receipts the tax base has suffered, as well as "Main Street" merchandising, particularly farm equipment dealers and related businesses.

HELENA LMA

Employment and Unemployment Situation:

The overall situation in employment and unemployment in the Helena labor area was favorable for 1977. For the year, the civilian labor force averaged 25,823, after a low level of 23,772 in January, and a year's high of 27,291 reached in August. This labor force average is 1,713 greater than that achieved in 1976, yielding an increase of 7.1%.

The number of persons employed also reached its lowest and highest levels in January and August, and averaged 24,430 for the year. This amounted to a very healthy increase of 8.4% from 1976 employment levels in the area.

Unemployment also showed positive movement on a year-to-year basis, with a decline from 1,578 persons in 1976, to an average of 1,393 for the past twelve months. These changes had a consequent positive effect on the average unemployment rate for the year. That widely observed gauge decreased from 6.5% in 1976, to 5.4% in 1977, indicating an improved employment atmosphere in the Helena labor market area.

Economic Highlights 1977:

The most significant aspect of the area economy during 1977 was likely the construction sector of industry. Cumulative valuation of building permits from January to October 1977 was slightly lower than for the same period in 1976; however, this comparison is somewhat misleading. Largely due to the mild winter in 1976-1977, building continued at a strong pace throughout the normally slow months, and continued until a peak was reached in July. After this point, construction began to decline at a time when it is normally most active. It is likely that the housing market was saturated and demand began to dwindle sooner than it usually would, thus accounting for the slight decrease in permits issued in the July through December period of 1977.

HELENA LMA (Cont.)

Other indicators of the economic health of the labor area were also generally positive for the year. As a partial measure of consumer spending, bank debits showed fairly consistent increases over 1976 totals, thus indicating some additional stimulus to the region in 1977.

The registration of new business firms was also a bright spot for the year. The cumulative total for the past twelve months was 381, a 64% increase from the previous year's high of 233. This change is indicative of improved commercial activity in the tri-county LMA, particularly in the greater Helena area.

Finally, one isolated event should be noted in a recapitulation of the 1977 economy in the Helena LMA. The National High School Rodeo Championships held during August, spurred local business activity and should not be underrated. The trade and service sectors of industry, in particular, were riding high during the month, having tremendous increases in sales and general business volume, which in many cases were greater than any previous period.

KALISPELL LMA

Employment and Unemployment Situation:

During 1977, the unemployment rate averaged 9.6% for the three counties comprising the Kalispell labor market area. An average of 3,100 workers were on the jobless rolls during the year, which is quite a drop from 1976 levels, when over 4,000 persons were out of work - 12.2% of the civilian labor force. Over 40% of the unemployed, 1,800 persons, resided in Flathead County, though Lincoln County experienced the highest rate of unemployment, at 13%. This was followed by Flathead County with 9.2% rate and Lake County with 7.4%.

KALISPELL LMA (Cont.)

The civilian labor force averaged 32,700 persons during 1977, which is an actual decline of 400 from the 1976 figure, 33,100. However, the number of employed workers increased 400 from 1976 to an average of 29,500 for 1977. This situation occurred because the decline in unemployment more than offset the employment growth, which indicated an exodus of persons from the local labor force. Many workers simply drop out of the labor market, due to the frustration over the lack of job opportunities. Others relocate to areas where jobs are more plentiful.

The Kalispell area has been continuously plagued by unemployment problems throughout this decade. During recessions, as in 1970 - 1971 and 1974 - 1975, the situation further worsened, pushing the unemployment rate to double-digit levels. It follows that any recovery phase of the economy must be judged on the basis of pre-existing, historical unemployment problems. As the Kalispell economy exited the recent recession in 1976, the unemployment rate averaged 12.2%, and with further recovery in 1977 the rate dropped to 9.6%. In light of the fact that in 1975 13.4% of the three-county area's labor force was out of work, improvement has been achieved. This is not to say, however, that the economy of the region is completely remedied. This area still suffers from a serious over-supply of labor, and at 9.6%, the 1977 unemployment rate is still much higher than the state as a whole, as well as the nation.

Economic Highlights 1977:

The lumber and wood products industry remains the solid core of the Kalispell labor market area. Economic analyses have shown that, although this industry directly employs about 10% of western Montana's workers, indirectly it provides employment for about one-half of the area's work force. Because the wood products industry is heavily dependent on housing activity and more directly on the availability of money for home construction, downturns in this industry are more frequent than in the economy in general.

KALISPELL LMA (Cont.)

As such, two consecutive good years can only be viewed with excitement. Spurred by new record residential building starts nationwide, lumber and related products sales have been at respectable levels over the past two years. In fact, driven by shortages of lumber in most parts of the country, the prices received for lumber escalated throughout 1977. However, the increases were not solely due to heavy demand; much of the increase was due to higher stumpage prices and cutbacks in available timberlands by the National Forest Service. In 1978, Montana's lumber industry may be even further affected, if it is determined that there is need for additional recreation and preservational lands.

In conclusion, Kalispell area lumber mills and loggers did experience a good economic year during 1977, but there is worry over 1978 and possible cutbacks in timber lands, as well as a possible shortfall in housing demand.

LEWISTOWN LMA

Employment and Unemployment Situation:

The employment situation in the Lewistown labor area showed slight improvement over 1976, with positive movement in all figures which reflect the general labor market conditions. The civilian labor force averaged 10,863 during the year, compared with 10,627 persons in 1976. This amounted to an increase of 2.2%, somewhat less than the increases recorded in many other state areas.

Average employment increased 2.9%, to 1977's level of 10,294 people. Once again, improvement was noted, but not to a great degree. Perhaps more significant was the fact that the yearly average of the number of unemployed workers was 8.8% less than it was in 1976. This reduction is a very healthy one for the area, and it helped reduce the overall rate of unemployment from a 1976 plateau of 5.9%, to the 1977 level of 5.2%.

LEWISTOWN LMA (Cont.)

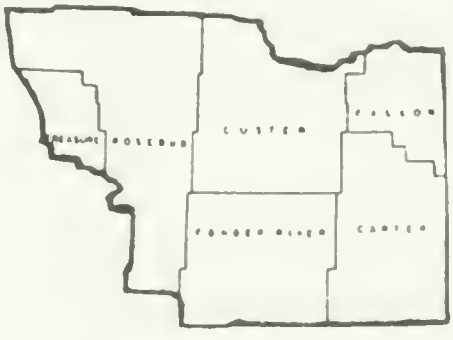
Economic Highlights 1977:

For the most part, this labor area has shown much the same economic trends from 1976 to 1977 as most other LMA's in Montana.

Although the six-county area is predominantly rural (even more so than many other parts of the state), it nonetheless experienced a 45% increase over the 1976 total of newly opened business firms. Most of the firms opened in Fergus County, and only Petroleum and Golden Valley Counties registered fewer new firms than in 1976. For the LMA as a whole, the monthly trend in bank debits was increasing beyond previous year levels as well. Such a trend suggests some increase in consumer spending in the local economy and is a sustaining economic factor.

The project to improve the facilities at missile sites in the area launched a great deal of economic planning during 1977. With a sizeable influx of workers expected in the vicinity, construction of housing facilities to accommodate the increase in population was begun, among other things. However, a labor dispute involving workers for the contracting company delayed progress and had an adverse, albeit temporary, effect on the area. With resolution of the conflict late in the year, derivative economic benefits should show up more prominently during 1978.

MILES CITY LMA



Employment and Unemployment Situation:

During 1977 the civilian labor force in the Miles City LMA saw some moderate expansion (2.5%). Employment in the area made notable improvement over the previous year, but the significant activity occurred on the unemployment side, which decreased at a proportionately faster rate. The net effect on the ratio of unemployment was a decrease of .7 percentage points from the 1976 average rate of 5.2%.

Rosebud County posted the largest decrease in the unemployment rate. Here the rate dropped to 5.9% in 1977 from the 7.4% in 1976.

In the rest of the labor market area the unemployment situation was virtually unchanged. In Custer County unemployment edged upward to an average of 255 in 1977 from 254 in 1976, and in Powder River County the averages were identical (unemployment of 36 for both 1976 and 1977).

Economic Highlights 1977:

Economic activity in the area was expected to be greatly influenced by activities in the Colstrip area during 1977. It was, but the on again/off again construction of energy projects left the economy uncertain as to the final disposition of the program. So, as was the case throughout the past two decades, highway construction highlighted the employment picture for most of the year. The initiation of four major road projects in the area provided a primary stimulus for the economy in terms of outside dollars, and also paved the way for some additional job opportunities for local unemployed. Again in 1977 building construction contributed to the overall health of the economy. In Miles City the groundwork was laid for a large shopping mall, and approval was also received for the expansion of the local community college. In addition, new home construction maintained its record 1976 pace, providing stable employment for local builders.

On the surface, the Miles City LMA appeared to be enjoying the benefits of an improving economy during 1977. This is somewhat true, but underlying these recent advancements remains the uncertainty in the agricultural sector. The economy of this area has diversified over the past decade, yet ranching and farming continue to be the mainstay of the region. Without some prospect of increases in agricultural cash receipts this coming year, the momentum furnished by other business sectors will be difficult to maintain.

MISSOULA LMA

Employment and Unemployment Situation:

The employment and unemployment situation in the Missoula labor area changed for the better during 1977. Comparing the year's employment averages with those of 1976 clearly indicates that more people were at work during the most recent twelve months. Examining the specific averages, the civilian labor force grew by 2,747, to a yearly level of 46,060. This represents a healthy 6.3% increase.

Employment for 1977 averaged 42,518, up by 3,325 persons. Conversely, unemployment declined by an average of 578, yielding a yearly level of 3,542 potential workers. These shifts in employment figures brought about a consequent drop in the unemployment rate from 9.5% in 1976, to 7.7% in 1977. Though the rate remains relatively high, the improvement is obvious.

Economic Highlights 1977:

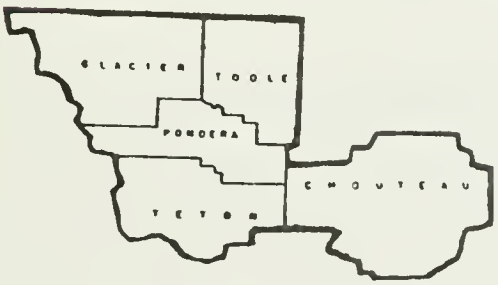
The most prominent single factor influencing the general economic and employment situation in this part of Montana is the lumber and wood products industry. During 1977 the area's lumber mill chain saw a number of inconsistencies in work levels take place, with temporary layoffs occurring in many operations. Among other things, some of the reasons given for the variety of problems were securing and maintaining inventories (which in some cases were built up early in the year), drought conditions, and fluctuating timber prices. If the lumber sector was uncertain to some degree this year, the construction sector provided economic compensation in large part. The entire LMA, and particularly the City of Missoula, enjoyed one of its best building years, having high levels of activity through October. While many other parts of the state were experiencing some decline in construction, Missoula seemed to be continuing on a strong course.

MISSOULA LMA (Cont.)

Among the many projects which were started during 1977, the one which stands out as the most economically significant is the $149 million expansion of production facilities at a major mill in the vicinity. With completion expected in 1981, the Missoula area should greatly benefit from the payroll and job increases which will accompany the undertaking.

Commerce, too, displayed clear signs of improvement over 1976. The number of new business firms in 1977 totaled 757, compared with 491 in the previous year. This amounts to an increase of 54%, one of the strongest advances registered in the state.

SHELBY-CUT BANK LMA



Employment and Unemployment Situation:

On an annual basis, an average of 1,000 persons were unemployed during 1977 in this five-county area. The unemployment rate lowered from 1976's level of 6.3% to 5.7% for 1977. Among the individual areas, the jobless rate ranged from a relatively high rate of 8.6% in Glacier County to a low of 3.2% for Chouteau County. The other areas experienced rates fairly close to the areawide average, with rates of measured unemployment at 5%, 4.7% and 5.2% for Pondera, Teton, and Toole Counties, respectively.

An average of 17,600 persons participated in the civilian labor force during 1977, which represents a gain of 5.4% from the 16,700 figure for 1976. This marks a very good year in terms of labor expansion. Those holding employment averaged 16,600, up 900 workers from the previous year, or about 5.8%. All of the counties shared in the employment growth, except Teton County, which noted a small drop, although unchanged when rounded for reporting purposes. Overall, this five-county area experienced an improved labor market in comparison with 1976.

The measured unemployment rates fell among all counties, and the LMA as a whole noted labor force growth.

Economic Highlights 1977:

Of the major industrial groups, the agriculture and related industries, and manufacturing, suffered economic downturns during 1977. As is well known, wheat prices were at depressed levels throughout the year. This situation, coupled with a below normal crop yield, created a real money crunch among area farmers and ranchers. The manufacturing sector also received a jolt during 1977, as a small refinery in Toole County closed down in May. The plant was located in the town of Kevin and provided employment for about 40 persons. Toole County lost over $100,000 in tax revenue alone, because of the closure.

The construction and retail industries generally fared well during the year, with activity concentrated on the construction of new homes, retail outlets and a new 16-store shopping center in Cut Bank. The complex was still under construction at year's end, and, as such, major benefits to this industry will not be felt until 1978.

During the summer months, Toole and Glacier Counties received over $233,900 in federal funds for the summer employment of about 81 youths. The program was designed to help provide work experience for teenagers of low income families.